

Alabama State Health Insurance Assistance Program and Medicare 101

A Training on Basic Medicare and the Alabama State Health Insurance Program (SHIP)

Produced by the Alabama Department of Public Health
Video Communications and Distance Learning Division

Faculty

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Objectives

- **At the conclusion of this training, the participant will be able to**
 - **Explain basic information about Medicare eligibility, enrollment, and coverage**
 - **Describe basic information about the Alabama State Health Insurance Assistance Program (SHIP)**

Objectives

- **Know how to access SHIP services for Medicare beneficiaries**

What Is Medicare?

- **A health insurance program for**
 - **People 65 years of age and older**
 - **People under age 65 with certain disabilities**
 - **People of all ages with End-Stage Renal Disease**

What Is Medicare?

- **Administered by Centers for Medicare & Medicaid Services (CMS)**
 - **Federal agency within the Department of Health and Human Services**
 - **This agency also administers Medicaid and SCHIP**

What Is Medicare?

- Enrollment by Social Security Administration (most people) or Railroad Retirement Board
- Created by Congress in 1965
- Nation's largest health insurance program

Enrolling in Medicare Part B

- Initial Enrollment Period (IEP)
 - 7 months starting 3 months before month of eligibility
- General Enrollment Period (GEP)
 - January 1 through March 31 each year
 - Coverage effective July 1

Enrolling in Medicare Part B

- Premium penalty
 - 10% for each 12-month period eligible but not enrolled
 - Paid for as long as the person has Part B
 - Limited exceptions

Enrolling in Medicare Part B

- Some people can delay enrolling in Part B with no penalty
 - If covered under employer or union group health plan
 - Based on current employment
 - Person or spouse
 - Will get a Special Enrollment Period (SEP)
 - Sign up within 8 months after coverage ends

The Medicare Card

MEDICARE HEALTH INSURANCE

1-800-MEDICARE (1-800-633-4227)

NAME OF BENEFICIARY
JANE DOE

MEDICARE CLAIM NUMBER
000-00-0000

IS ENTITLED TO
HOSPITAL (PART A) **07-01-1986**
MEDICAL (PART B) **07-01-1986**

Show HERE → _____

Medicare Drug Coverage Enrollment Periods

- Initial Enrollment Period (IEP)
 - 7 months
 - Starts 3 months before month of eligibility

Medicare Drug Coverage Enrollment Periods

- Annual Coordinated Election Period (AEP)
 - November 15 through December 31 each year
 - Can join, drop, or switch coverage
 - Effective January 1 of following year
- Special Enrollment Period (SEP)

Medicare Drug Coverage Late Enrollment

- People who wait to enroll may pay penalty
 - Additional 1% of national base premium for every month eligible but not enrolled
 - Must pay the penalty as long as enrolled in a Medicare drug plan

Medicare Drug Coverage Late Enrollment

- Unless they have other coverage at least as good as Medicare drug coverage

Medicare Prescription Drug Plans

- At minimum, must offer standard benefit
 - In 2009 members may pay
 - Monthly premiums
 - Annual deductible, no more than \$295
 - Initial coverage limit is \$2,700
 - Co-payments or coinsurance
 - Very little after \$4,350 out-of-pocket

Medicare Prescription Drug Plans

- Covers generic and name brand drugs
- Plan information and costs available
 - www.medicare.gov
 - 1-800-MEDICARE (1-800-633-4227)

Medicare Advantage Plans Part C

- Health Maintenance Organization (HMO) Plans
 - Plans must cover all original Medicare Part A and Part B covered health care
 - Most require you go to doctors, specialists, or hospitals on the plan's list, except in an emergency

Medicare Advantage Plans Part C

- **Preferred Provider Organization (PPO) Plans**
 - Plans are available in a local or regional area and you use doctors, hospitals, and other providers in their network
 - You pay additional costs if you use out of network providers

Medicare Advantage Plans Part C

- **Private Fee-for-Service (PFFS) Plans**
 - Allow you to go to any doctor or hospital that accepts the plan's payment

Medicare Advantage Plans Part C

- **Special Needs Plans**
 - Designed to meet needs of people who live in certain institutions, are eligible for both Medicare and Medicaid, and/or specific chronic conditions

Medicare Advantage Plans Part C

- **Medicare Medical Savings Account (MSA) Plans**
 - Plans combine a high deductible health plan with a Medical Savings Account that beneficiaries can use to manage their healthcare costs

Extra Help With Drug Costs

- **Available for many people with limited income and resources**
 - **Income limit**
 - At or below 150% of the current year's poverty level
 - **Resource limit**

Extra Help With Drug Costs

- **People with lowest income and resources**
 - Pay no premiums or deductibles
 - Have small or no co-payments
- **Those with slightly higher income and resources**
 - Pay no or a reduced premium
 - Have a reduced deductible
 - Pay a little more out of pocket

Eligibility for Extra Help

- Some people may automatically qualify
 - People with Medicare who
 - Get full Medicaid benefits
 - Get Supplemental Security Income (SSI)
 - Get help from Medicaid paying their Medicare premiums

Eligibility for Extra Help

- Others must apply and qualify
 - Low Income Subsidy Assistance, wages, interest, pensions, money in checking and savings accounts, and investments are considered

SHIP

- Alabama State Health Insurance Assistance Program
- Offers free, local assistance for people with Medicare
- “We can help you make informed choices about your health insurance”



Alabama State Health Insurance Assistance Program

About SHIP

- Staffed by Counselors and Volunteers
- Offers Public Education and Public Speaking
- Funded by Centers for Medicare and Medicaid Services (CMS)
- Administered statewide by the Department of Senior Services through 13 Area Agencies on Aging

SHIP Program Services

- Help understand Medicare benefits
- Help determine which Medicare Prescription Drug Plan best fits need
- Answer questions about
 - Medigap
 - Long-term care insurance policies
 - Other health insurance programs

SHIP Program Services

- **Assist Medicare beneficiaries in specific areas such as**
 - Home health benefits
 - Medicare claims and appeals
 - Other similar issues
- **Provide details about local benefits and make referrals**

**To contact a local SHIP Counselor
or the local Area Agency
on Aging call
1-800-AGELINE (243-5463)**

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